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## Gas prices rise to new national record, driven by crude oil's own record-breaking rally

*John Wilen*  
*The Associated Press*

NEW YORK - The cost of filling up the family car climbed to a record high yesterday, adding to the challenges consumers already face with falling home values and rising food prices.

Gas prices at the pump rose overnight to a national average of \$3.2272 a gallon, according to AAA and the Oil Price Information Service. The previous record of \$3.2265 was set in May.

Soaring gas prices worsen the plight of consumers already suffering through a housing downturn that has reduced home prices in many markets and limited Americans' ability to tap home equity for spending. Food prices are also on the rise, partly due to fuel costs.

"I used to think three bucks a gallon was all I'd pay, but I keep filling up," Joe Gowans said while gassing his Acura sport utility vehicle in San Francisco one recent afternoon. "You have to use it."

A year ago, rising demand and refinery outages raised concerns about supplies. Now, the record price of crude oil is the culprit, even as supplies are at 15-year highs.

Light sweet crude for April delivery surged to a trading record of \$109.72 yesterday on the New York Mercantile Exchange before falling after the Energy Department and International Energy Agency cut crude-consumption forecasts for this year. Futures settled 85 cents higher at \$108.75 a barrel, a record.

Many analysts expect prices to moderate, while others predict oil could exceed \$120 a barrel. With demand likely to rise as warm weather arrives, analysts say pump prices could hit \$3.75 a gallon.

Nationwide demand for gasoline is off by 1 percent in the past 6 weeks, a trend analysts expect to accelerate if prices keep rising.

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